ASSURANT
Employee
Benefits

Group Benefits

The City of Falls Church

Life
City Employee

CERTIFICATE OF
GROUP INSURANCE

Union Security Insurance Company certifies that the insurance stated in this Certificate became effective on the Effective Date shown in your Schedule. This Certificate is subject to the provisions of the below numbered *policy* issued by Union Security Insurance Company to the *policyholder*.

Policyholder: The City of Falls Church

Group Policy Number: 4,027,243

Participation Number: 0

Type of Coverage:

Group Term Life Insurance
Group Term Life Insurance for Dependents

This Certificate replaces any and all Certificates and Certificate Endorsements, if any, issued to you under the *policy*.

Michael J Peninger

Executive Vice-President

SCHEDULE

Eligible Persons

To be eligible for insurance, a person must be a member of an Eligible Class. The person must also complete a period of continuous service (Service Requirement) with the *policyholder* (or any *associated company*).

Eligible Classes:

For employee insurance

Class I: Each *full-time* city employee of the *policyholder* or an *associated company*,

- who is at *active work*, and
- who is working in the United States of America,

as identified on the *policyholder's* or our records, except any temporary or seasonal worker.

Class II: Each *part-time* city employee of the *policyholder* or an *associated company*,

- who is at *active work*, and
- who is working in the United States of America,

as identified on the *policyholder's* or our records, except any temporary or seasonal worker.

For dependent insurance - Each person eligible and insured for employee insurance.

Associated Companies: The City of Falls Church Schools

Service Requirement: None

Entry Date

Insurance will take effect on the later of (i) the date shown below, and (ii) the first of the month occurring on or after the day all the eligibility requirements are met.

Effective Date of Insurance

July 1, 2002 (subject to Entry Date)

SCHEDULE (continued)

Life Insurance for You

Your amount of insurance will be 200% of your *annual pay*, subject to a maximum amount of insurance of $350,000.

Annual pay means your basic yearly pay from the *policyholder* or an *associated company*, and is computed on a yearly basis. Bonuses, overtime, and other compensation not considered by us as basic wages or salary are not included. However, commissions received during the prior full calendar year will be included. If you have been eligible to receive commissions for less than a full calendar year, *annual pay* will include commissions received during the time you were eligible to receive them.

If you are an hourly employee, *annual pay* will be based on your hourly rate of pay, but not on more than 40 hours per week.

However, the amount of *life insurance* may be limited by the Proof of Good Health provision.

Maximum Amount Without Proof of Good Health: $350,000

Amount of Accelerated Benefit

With the written consent of the *beneficiary(ies)*, you may choose an amount of *accelerated benefit* up to 80% of your *life insurance*. Without the written consent of the *beneficiary(ies)*, you may choose an amount of *accelerated benefit* up to 50% of your *life insurance*. The amount will be rounded to the next higher multiple of $1,000, if not already an exact multiple, and may never be less than $5,000 or more than $250,000.

Change Date: For changes in class, pay or age, the Change Date will be the date of the change.

Life Insurance for Your Dependents

Class	Amount
Spouse	$5,000
Children	

SCHEDULE (continued)

Live birth but less than 6 months	$200
6 months but less than age 19 or less than age 25 if a full-time student	$2,000

The amount of insurance for a dependent will not be more than 1/2 your amount of insurance.

However, the amount of dependent *life insurance* may be limited by the Proof of Good Health provision.

Dependent Maximum Amount Without Proof of Good Health: $5,000

Dependent Change Date: Any change in an amount of insurance because of a change in age or other status will take effect on the date of the change.

TABLE OF CONTENTS

GENERAL DEFINITIONS 3
DEFINITIONS FOR LIFE INSURANCE 5
ELIGIBILITY AND TERMINATION PROVISIONS FOR YOU 7
- Exception to Effective Date 7
- When Your Insurance Ends 7

ELIGIBILITY AND TERMINATION PROVISIONS FOR DEPENDENTS .. 8
- Eligible Dependents 8
- Dependent Effective Date 8
- Exception to Dependent Effective Date 9
- When Dependent Insurance Ends 9

SPECIAL DEPENDENT INSURANCE CONTINUANCE PROVISIONS 10
- Physically Handicapped or Mentally Retarded Dependent Children ... 10

CONTINUITY OF COVERAGE 11
- Definitions 11
- Continuity of Coverage for You 11
- Prior Plan Credit for Life Insurance 12
- Continuity of Coverage for Your Dependents 12
- Prior Plan Credit for Life Insurance for Your Dependents 13

LIFE INSURANCE FOR YOU 14
- Insurance Provided 14
- Changes in Amounts of Insurance 14
- Proof of Good Health 14
- DISABILITY BENEFIT 15
  - Amount 15
  - Proof of Disability 15
  - Maximum Benefit Period 15
  - Extension of Benefits 16
  - Exclusions 16
- Conversion to an Individual Policy 16
- ACCELERATED BENEFIT 17
  - Amount of Accelerated Benefit 17
  - Proof Required for the Accelerated Benefit 18
  - Effect of Accelerated Benefit 18
  - Exclusions 19

ADDITIONAL PROVISIONS FOR LIFE INSURANCE 20
- Optional Payment Methods 20
- Beneficiary 20
- Assignment 21
- Incontestability 21
- Spendthrift 22

LIFE INSURANCE FOR YOUR DEPENDENTS 23
- Insurance Provided 23
- Changes in Amounts of Insurance 23
- Proof of Good Health 23

TABLE OF CONTENTS (continued)

Disability Benefit 23
Conversion to an Individual Policy 24
Assignment 24
Incontestability 25
CLAIM PROVISIONS 26
Payment of Benefits 26
To Whom Payable 26
Filing a Life Disability Benefit Claim 26
Authority 26
Review Procedure 27
GENERAL PROVISIONS 28
Entire Contract 28
Errors 28
Misstatements 28
Certificates 28
Workers' Compensation 28
Agency 28
Fraud 29

GENERAL DEFINITIONS

These terms have the meanings shown here when *italicized*. The pronouns "we", "us", "our", "you", and "your" are not *italicized*.

Active work means:

- for *full-time covered persons:*

  the expenditure of time and energy for the *policyholder* or an *associated company* at your usual place of business on a *full-time* basis; and

- for *part-time covered persons:*

  the expenditure of time and energy for the *policyholder* or an *associated company* at your usual place of business on a *part-time* basis.

Associated company means any company shown in the *policy* which is owned by or affiliated with the *policyholder*.

Contributory means you pay part of the premium.

Covered dependent means an *eligible dependent* who is insured under the *policy*.

Covered person means an eligible employee or member of the *policyholder*, or an *associated company* who has become insured for a coverage.

Doctor means a person acting within the scope of his or her license to practice medicine, prescribe drugs or perform surgery. Also, a person whom we are required to recognize as a *doctor* by the laws or regulations of the governing jurisdiction, or a person who is legally licensed to practice psychiatry, psychology or psychotherapy and whose primary work activities involve the care of patients, is a *doctor*. However, neither you nor a *family member* will be considered a *doctor*.

Eligible class means a class of persons eligible for insurance under the *policy*. This class is based on employment or membership in a group.

Family member means a person who is a parent, spouse, child, sibling, domestic partner, grandparent or grandchild of the *covered person*.

GENERAL DEFINITIONS (continued)

Full-time means working at least 37.5 hours per week, unless indicated otherwise in the *policy*.

Home office includes our Home Office located in St. Paul, Minnesota, and our office in Kansas City, Missouri.

Injury means accidental bodily injury. It does not mean intentionally self-inflicted injury while sane or insane.

No-fault motor vehicle coverage means a motor vehicle plan that pays disability or medical benefits without considering who was at fault in any accident that occurs.

Noncontributory means the *policyholder* pays the premium.

Part-time means working at least 20 hours per week, unless specified otherwise in the *policy*.

Policy means the group policy issued by us to the *policyholder* that describes the benefits for which you may be eligible.

Policyholder means the entity to whom the *policy* is issued.

Proof of good health means evidence acceptable to us of the good health of a person.

We, us, and our mean Union Security Insurance Company.

You and your mean an employee or member of the *policyholder* or an *associated company* who has met all the eligibility requirements for a coverage.

DEFINITIONS FOR LIFE INSURANCE

Accelerated benefit means the group term life accelerated benefit under the *policy* issued by us to the *policyholder*. *Accelerated benefits* do not apply to any insurance under the *policy* other than group term *life insurance*.

Beneficiary means the person or entity you choose to receive your amount of insurance at your death.

Conversion policy means a policy of individual life insurance which may be issued to you by us when part or all of your group *life insurance* ends, as described in the Conversion to an Individual Policy provision.

Disabled and *disability* mean that you are under the *regular care and attendance* of a *doctor*, and prevented by *injury* or physical or mental disease from performing the material duties of any occupation for which your education, training, or experience qualifies you.

You will also be considered *disabled* for *life insurance* if you are disabled under any long term disability insurance policy issued by us to the *policyholder* under which you are insured.

Government plan means the United States Social Security Act, the Railroad Retirement Act, the Canadian Pension Plan, similar plans provided under the laws of other nations, and any plan provided under the laws of a state, province, or other political subdivision. It also includes any public employee retirement plan or any teachers' employment retirement plan, or any plan provided as an alternative to any of the above acts or plans. It does not include any Workers' Compensation Act or similar law, or the Maritime Doctrine of Maintenance, Wages, or Cure.

Life insurance means the group term life insurance under the *policy* issued by us to the *policyholder*.

Period of disability means the time that begins on the day you become *disabled* and ends on the day before you return to *active work*. If you satisfy the *qualifying period* and then:

- return to *active work*;
- become *disabled* again; and
- remain insured under the *policy*;

the same *period of disability* may continue. Your return to *active work* must be for less than:

- 6 months, if the later *disability* results from the same cause, or a related one; or
- 1 day, if the later *disability* results from a different cause.

If you return to *active work* for more than the time shown above, and then become *disabled* again, you will start a new *period of disability*. You must satisfy the *qualifying period* again and the period outlined in the Maximum Benefit Period provision will start over.

Qualifying medical condition means you have a medical condition which is diagnosed by a *doctor* as life-threatening and which results in an expected life span of 12 months or less according to prevailing medical standards.

Qualifying period means the length of time you must be *disabled* before your insurance will be continued without further premium payment under the Disability Benefit. This time period is your Qualifying Period stated in any long term disability insurance policy issued by us to the *policyholder* under which you are insured, or if none, 6 months.

Regular care and attendance means the regular and personal care of a *doctor* which, under prevailing medical standards, is appropriate for your condition. We will no longer require the regular care of a *doctor* if we receive acceptable proof that further care would be of no benefit.

Retire means you begin receiving retirement benefits from either:

- a *retirement plan* sponsored by your employer, the *policyholder*, or an *associated company*, or
- a *government* plan.

Retirement plan means a formal or informal retirement plan, whether or not under an insurance or annuity contract.

ELIGIBILITY AND TERMINATION PROVISIONS FOR YOU

Exception to Effective Date

If you are not at *active work* on the day you would otherwise become insured, your insurance will not take effect until you return to *active work*. If the day your coverage would normally take effect is not a regular work day for you, your coverage will take effect on that day if you are able to do your regular job.

When Your Insurance Ends

Your insurance will end on the date:

- the *policy* ends;
- the *policy* is changed to end the insurance for your *eligible class*;
- you are no longer in an *eligible class*;
- you stop *active work*; or
- a required contribution was not paid.

ELIGIBILITY AND TERMINATION PROVISIONS FOR DEPENDENTS

Eligible Dependents

Your *eligible dependents* are:

- your lawful spouse, and
- your unmarried children from live birth but less than age 19, or less than age 25 if a full-time student.

"Children" include any biological or adopted children, stepchildren and foster children, each of whom must depend on you for support and maintenance. A child will be considered adopted on the date of placement in your home. "Children" also include any children for whom you are the legal guardian, who reside with you on a permanent basis and depend on you for support and maintenance.

An *eligible dependent* will not include any person who is a member of an *eligible class*. An *eligible dependent* may not be covered by more than 1 *covered person*.

Dependent Effective Date

Any *noncontributory* dependent insurance will take effect on the day the dependent becomes an *eligible dependent*, or, if later, on the Entry Date shown in the Schedule in the *policy*.

For any *contributory* dependent insurance, you must apply for dependent insurance on a form acceptable to us. You must also agree to pay your share of the premium.

- If you apply before the dependent becomes eligible, dependent insurance will take effect on the Entry Date shown in the Schedule in the *policy*.
- If you apply on the date the dependent becomes eligible, or within 31 days after that, dependent insurance will take effect on the Entry Date occurring on or after the date of your application.

- If you apply more than 31 days after the dependent becomes eligible, you must give *proof of good health* for each *eligible dependent*. *Proof of good health* is also required if you apply after dependent insurance ended because the premium was not paid. If the proof is accepted, dependent insurance will take effect on the Entry Date occurring on or after the date we approve the *eligible dependent's proof of good health*.

You cannot apply for dependent insurance if your coverage is being continued under the Disability Benefit provision of the *policy*.

Exception to Dependent Effective Date

Dependent insurance will not take effect until your insurance for the same coverage under the *policy* takes effect.

If an *eligible dependent* is in a hospital or similar facility on the day insurance would otherwise take effect, it will not take effect until the day after the *eligible dependent* leaves the hospital or similar facility. This exception does not apply to a child born while dependent insurance is in effect.

When Dependent Insurance Ends

A dependent's insurance will end on the date:

- the *policy* ends;
- the *policy* is changed to end dependent insurance;
- that dependent is no longer eligible;
- your insurance for the same coverage under the *policy* ends; or
- a required contribution for dependent insurance was not paid.

SPECIAL DEPENDENT INSURANCE CONTINUANCE PROVISIONS

As specified below, dependent insurance may continue, subject to the provisions that describe when insurance ends, and all other terms and conditions of the *policy*. Premiums are required for any coverage continued.

Physically Handicapped or Mentally Retarded Dependent Children

Dependent insurance for an *eligible dependent* child will continue beyond the date a child attains an age limit, if, on that date, he or she:

- is unable to earn a living because of physical handicap or mental retardation; and
- is chiefly dependent upon you for support and maintenance.

We must receive proof of the above within 120 days after the child attains the age limit and each year after that, beginning 2 years after the child attains the age limit. There will be no increase in premium for this continued coverage.

Dependent insurance will end when the child is able to earn a living or is no longer dependent on you for support and maintenance.

CONTINUITY OF COVERAGE

Definitions

Prior plan means the *policyholder's* plan of group *life insurance*, if any, (including any *dependent life insurance*) under which you and your *eligible dependents*, if any, were insured on the day before the Effective Date of the *policy*.

Prior plan benefits mean the benefits, if any, that would have been paid to you or your *beneficiary* under the *prior plan* had it remained in effect, and had you or your dependent continued to be insured under the *prior plan*.

Continuity of Coverage for You

We will provide continuity of coverage if you were covered under the *prior plan.*

If you are not at *active work* on the Effective Date of the *policy* due to a disability, you are not eligible to become insured under the *policy.* However, we will cover you for the *prior plan benefits* until the earlier of:

- the date you return to *active work*; or
- the end of any period of continuance or extension of the *prior plan.*

If you are not at *active work* on the Effective Date of the *policy* due to a reason other than a disability, and would otherwise be eligible to become insured under the *policy*, we will cover you for the *prior plan benefits* until the earliest of:

- the date you return to *active work;*
- the end of any period of continuance of the *prior plan*; or
- the date coverage would otherwise end, according to the provisions of the *policy*.

Any benefits payable under the conditions described above will be paid by us:

- as if the *prior plan* had remained in effect; and

- will be reduced by any benefits paid or payable by the *prior plan*.

If you are at *active work* on the Effective Date of the *policy*, you will be insured under the *policy*.

Prior Plan Credit for Life Insurance

We will give you credit for time periods which were met under the *prior plan* for the same provision(s). This credit will apply to the time-insured requirement, if any, shown in the following section(s) of the Life Insurance for You provision in the *policy*:

- Insurance Provided. However, for any *contributory* insurance, this credit will not apply to any increase in your amount of insurance under the *policy*.
- Accelerated Benefit, but only if you had a similar Accelerated Benefit under the *prior plan*.
- Conversion to an Individual Policy.

If we accept a copy of the enrollment card you submitted under the *prior plan*, this credit will also apply to the Incontestability section shown in Additional Provisions for Life Insurance.

Continuity of Coverage for Your Dependents

We will provide continuity of coverage for your *eligible dependents*, if any, who were covered under the *prior plan*.

If an *eligible dependent* is in a hospital or similar facility on the Effective Date of the *policy*, we will cover the dependent for the *prior plan benefits* until the earliest of:

- the day after the *eligible dependent* leaves the hospital or similar facility;
- the end of any period of continuance or extension of the *prior plan*; or
- the date coverage would otherwise end, according to the provisions of the *policy*.

Any benefits payable will be paid by us:

- as if the *prior plan* had remained in effect; and
- will be reduced by any benefits paid or payable by the *prior plan*.

If an *eligible dependent* is not in a hospital or similar facility on the Effective Date of the *policy*, the dependent will be insured under the *policy*.

Prior Plan Credit for Life Insurance for Your Dependents

We will give your dependents credit for time periods which were met under the *prior plan* of group dependent *life insurance* for the same provision(s). This credit will apply to the time-insured requirement, if any, shown in the following section(s) of the Life Insurance for Your Dependents provision of the *policy*:

- Insurance Provided. However, for any *contributory* insurance, this credit will not apply to any increase in the amount of dependent insurance provided under the *policy*.
- Conversion to an Individual Policy.
- Incontestability. However, this will apply only if we accept a copy of the enrollment card you submitted under the *prior plan*.

LIFE INSURANCE FOR YOU

Insurance Provided

We will pay your *beneficiary* the amount of insurance shown in the Schedule when we receive all the required proof of covered loss, including written proof of your death, acceptable to us, and a completed claim form. Your amount of insurance may be reduced by the amount of any *conversion policy*.

For any *contributory* insurance, if you take your own life within 1 year after you become insured under the *policy*, the amount of insurance we pay will be the sum of your contributions for this insurance.

For any *contributory* insurance, if you take your own life within 1 year after you elect an increase in your amount of insurance under the *policy*, the amount of the increase will be limited to the sum of your contributions for the increase.

Changes in Amounts of Insurance

If your amount of insurance changes for any reason, the change will take place on the Change Date shown in the Schedule. But in the case of an increase, if you are not at *active work* on that day, no increase will take effect until you return to *active work*.

Proof of Good Health

If you are eligible for more than the Maximum Amount Without Proof of Good Health shown in the Schedule, you will be limited to that Maximum until you give us *proof of good health*. If the proof is accepted, the additional amount of insurance will take effect on the date we approve your *proof of good health*. Once insured for more than that Maximum, future increases will also require *proof of good health*.

If both *noncontributory* and *contributory* insurance are provided under the *policy*, your *contributory* amount will be affected by this provision before your *noncontributory* amount.

LIFE INSURANCE FOR YOU (continued)

DISABILITY BENEFIT

If you stop *active work* before age 65 because you become *disabled* while insured under the *policy* and remain *disabled* for the *qualifying period*, your *life insurance* will continue for the period outlined in the Maximum Benefit Period provision. Once the *qualifying period* is satisfied, no further premium is due for you while you remain *disabled* for the amount of *life insurance* that is being continued.

Amount

The amount of insurance continued will be the amount for which you were insured on the day before you became *disabled*. However, it is subject to any reduction in amount contained in the *policy*, on that day, and may be reduced by the amount of any *conversion policy*.

Proof of Disability

You must give us proof of your *disability* as stated in the Claim Provisions. You must submit all proof to our *home office* at no expense to us. If you die while *disabled*, we require proof that you were continuously *disabled* until death.

Maximum Benefit Period

If you become *disabled* before your 60th birthday, your insurance will continue as long as you are *disabled*, but not past the earlier of age 65, or the date you *retire*. If you become *disabled* on or after your 60th birthday, but before age 65, your insurance may continue for up to 1 year, but not past the earlier of age 65, or the date you *retire*.

If you are no longer *disabled*, your insurance will end unless you re-enter an *eligible class* and premium payments begin again. If you become *disabled* again during the same *period of disability*, you do not have to satisfy the *qualifying period* again. The maximum benefit period will not start over but will continue on the day you become *disabled* again.

If your amount of insurance reduces or ends while you are *disabled*, you can apply for an individual policy. See the Conversion to an Individual Policy provision.

Extension of Benefits

Your insurance will continue even if the *policy* ends, if you meet the proof requirements as stated in the Claim Provisions.

Exclusions

Your insurance will not continue under the Disability Benefit if your *disability* results directly or indirectly from:

- intentionally self-inflicted injury, while sane or insane;
- war or any act of war, whether declared or not;
- service in the armed forces of any country, combination of countries or international organization at war, whether declared or not; or
- taking part in a riot or insurrection, or an act of riot or insurrection.

Your insurance will not continue if your *disability* starts:

- after you are no longer in an *eligible class*;
- after the *policy* ends; or
- during the time allowed for conversion to an individual policy.

If you have converted to an individual policy after part or all of your group *life insurance* ended, no group insurance for the amount that ended will be paid unless the individual policy is returned without claim. Then we will refund all premiums paid for the individual policy, less any payments we made.

Conversion to an Individual Policy

If any or all of your group *life insurance* ends, you can apply for any individual policy offered by us (*conversion policy*). You must apply and pay the premium within 31 days. The individual policy may be any we offer for conversion. No *proof of good health* is required. The amount of insurance available to you depends on the reason your insurance ends.

If your insurance ends because you are no longer eligible or because of a change in age or other status, you may convert the full amount that ended. However, if your insurance ends as the result of a change in the *policy*, you may not convert the full amount that ended.

If the *policy* ends or is changed to reduce or end your *life insurance*, and if you have been insured for at least 5 years under the *policy*, you may convert up to the lesser of:

- $10,000, and
- the amount of *life insurance* that ended minus the amount of any group life insurance for which you become eligible within 31 days.

If you die within 31 days after your *life insurance* ends, we will pay to your *beneficiary* the amount you could have converted, whether or not you applied or paid the premium.

You cannot apply for a *conversion policy* if your group *life insurance* ended because you did not pay your share of the premium.

ACCELERATED BENEFIT

If, while you are a *covered person*, you have a *qualifying medical condition*, you have the right to receive a portion of your *life insurance* during your lifetime, payable as an *accelerated benefit*. You must have at least $10,000 of *life insurance* in force to be eligible to receive an *accelerated benefit*.

RECEIPT OF AN ACCELERATED BENEFIT MAY AFFECT ELIGIBILITY FOR A STATE OR FEDERAL PROGRAM, SUCH AS MEDICAID, AND BENEFITS MAY BE TAXABLE. A TAX ADVISOR SHOULD BE CONSULTED.

We are not responsible for any effect on your state or federal taxes, or loss of eligibility for any state or federal program.

Unless otherwise indicated, all provisions of the *policy* shall apply to the *accelerated benefit*.

Amount of Accelerated Benefit

You may receive an *accelerated benefit* of your *life insurance*, as shown in the Schedule.

If the amount of your *life insurance* is scheduled to reduce due to age within 12 months following the date you apply for the *accelerated benefit*, your *accelerated benefit* will be based on the reduced amount.

An *accelerated benefit* may be paid only once during your lifetime. Benefits will be paid in a single sum to you. If you are not living when benefits are payable, they will be paid to your *beneficiary*.

Once an *accelerated benefit* is paid to you, we will notify you of the remaining *life insurance* in force.

Proof Required for the Accelerated Benefit

You must submit a claim form and any other information we find necessary to decide our liability.

We may ask you to be examined in connection with your claim for an *accelerated benefit*. We will pay for any exam we require.

Effect of Accelerated Benefit

After an *accelerated benefit* is paid, premium is due only for the remaining *life insurance*, unless the premium is waived under the Disability Benefit provision. The *life insurance* payable at your death to your *beneficiary* equals:

- the amount of your *life insurance* as if an *accelerated benefit* payment has not been made, minus
- the *accelerated benefit* payment, minus
- the *interest charge*.

The *interest charge* equals the *accelerated benefit* amount times the number of days from the *accelerated benefit* payment to your date of death, times an annual interest rate divided by 365. The annual interest rate is the current yield on 90-day treasury bills that is in effect on the first day of each quarter.

Your amount of dependent *life insurance*, *accidental death and dismemberment insurance*, *travel accident insurance*, dependent *accidental death and dismemberment insurance* and survivor income insurance, if any, is not affected by the payment of the *accelerated benefit*. The amount of any *conversion policy* will be based on your reduced amount of *life insurance* after the payment of the *accelerated benefit*.

Exclusions

An *accelerated benefit* will not be paid if:

- you have assigned all or part of your *life insurance*, unless the assignee consents, in writing.
- you have named an irrevocable *beneficiary* for all or part of your *life insurance*, unless the *beneficiary* consents, in writing.
- all or a part of your *life insurance* is payable to a former spouse as part of a divorce decree or property settlement.
- you have previously received an *accelerated benefit* of your *life insurance*.
- your *life insurance* is less than $10,000.

ADDITIONAL PROVISIONS FOR LIFE INSURANCE

Optional Payment Methods

You or your *beneficiary* may choose to have all or part of your insurance paid in installments. You can request this at any time. Your *beneficiary* may request this within 31 days after your death.

This option is not available if the *beneficiary* is an estate, corporation, partnership, association, or trustee.

Beneficiary

You may change the *beneficiary* at any time. Any request to name or change the *beneficiary* must be in writing on a form acceptable to us and signed by you. After we receive the request at our *home office*, the change will take effect on the date you signed it. A *beneficiary* change will be without prejudice to us for any payment we made before we received notice in our *home office*.

You may also send a request to change the *beneficiary* to the main office of the *policyholder*. The change must be made in a manner acceptable to us.

Any application to convert all your group *life insurance* which names a *beneficiary* different from the last *beneficiary* you named under the *policy* will be considered a change of *beneficiary* to the person named in the application. The change will take effect on the date of the application.

If you named more than 1 *beneficiary*, your amount of insurance will be divided among them equally, unless you specified otherwise.

If a *beneficiary* dies before you do, the rights and interest of that *beneficiary* will end.

ADDITIONAL PROVISIONS FOR LIFE INSURANCE (continued)

If no *beneficiary* is living or existing when you die, or if none was named, or if the *beneficiary* is disqualified by operation of law, your insurance will be paid to the first qualified surviving class of the following classes in this order:

- your lawful spouse;
- your living children, in equal shares;
- your living parents, in equal shares; or
- your estate.

Assignment

If you assign your interest under the *policy* to another person, all your rights under the *policy* are permanently transferred. This includes the right to name and change the *beneficiary* and the right to convert to an individual policy. You may assign your insurance to only 1 of the following:

- your lawful spouse;
- your child, parent, brother, or sister; or
- the trustee of a trust you set up for the benefit of your lawful spouse, children, parents, brothers, or sisters.

We are not responsible for the validity of any assignment. An assignment will not affect us until we receive written notice at our *home office*.

Incontestability

The validity of the *policy* cannot be contested after it has been in force for 2 years. The validity of your coverage under the *policy* cannot be contested after you have been insured under the *policy* for 2 years during your lifetime. However, if the premiums are not paid, the validity of the *policy* or your coverage can be contested at any time.

No statement you made regarding *proof of good health* can be used in a legal dispute unless it was in writing, it was signed by you, and a copy was given to you or your *beneficiary*.

ADDITIONAL PROVISIONS FOR LIFE INSURANCE (continued)

Spendthrift

As permitted by law, the benefits under the *policy* are not subject to commutation, encumbrance or alienation. They are not subject to the claim of, or legal process, by any creditor of you or your *beneficiary*.

LIFE INSURANCE FOR YOUR DEPENDENTS

Insurance Provided

If a *covered dependent* dies, we will pay you the amount of that dependent's *life insurance* shown in the Schedule. If you are not living or are disqualified by operation of law, we will pay the deceased dependent's estate. We will pay it in 1 sum when we receive all the required proof of covered loss, including written proof of death, acceptable to us, and a completed claim form. The amount of insurance may be reduced by the amount of any *conversion policy*.

For any *contributory* insurance, if a *covered dependent* takes his or her own life within 1 year after becoming insured under the *policy*, the amount of insurance we pay will be the sum of your contributions for this insurance.

For any *contributory* insurance, if a *covered dependent* takes his or her own life within 1 year after you elect an increase in the amount of dependent insurance under the *policy*, the amount of the increase will be limited to the sum of your contributions for the increase.

Changes in Amounts of Insurance

Any change in a *covered dependent's* amount of insurance will take place on the Dependent Change Date shown in the Schedule. But in the case of an increase, if the *eligible dependent* is in a hospital or similar facility on that day, no increase will take effect until the day after the *eligible dependent* leaves the hospital or similar facility.

Proof of Good Health

If a *covered dependent* is eligible for more than the Dependent Maximum Amount Without Proof of Good Health shown in the Schedule, the dependent will be limited to that Maximum until the dependent gives us *proof of good health*. Once insured for more than that Maximum, future increases will also require *proof of good health*.

Disability Benefit

Any time your *life insurance* is continued under the Disability Benefit, your dependent *life insurance* will also continue. No premium is due when no premium is due for *life insurance*.

Conversion to an Individual Policy

If any or all of a dependent's *life insurance* ends, you or your dependent can apply for an individual policy issued by us (*conversion policy*). You or your dependent must apply on a form acceptable to us and pay the premium within 31 days. The individual policy may be any we offer for conversion. No *proof of good health* is required. The amount of insurance depends on the reason your dependent's coverage ends.

If your dependent's *life insurance* ends because you die or you are no longer eligible for another reason, or because your dependent is no longer eligible, you or your dependent may convert the full amount that ended. However, if your dependent's *life insurance* ends as a result of a change in the *policy*, you or your dependent may not convert the full amount that ended.

If the *policy* ends or is changed to reduce or end your dependent's *life insurance*, and if your dependent has been insured for at least 5 years under the *policy*, you or your dependent may convert up to the lesser of:

- $10,000, and
- the amount of dependent *life insurance* that ended minus the amount of any group life insurance for which your dependent becomes eligible within 31 days.

Neither you nor your dependent can apply for a *conversion policy* if your dependent's group *life insurance* ends because you did not pay your share of the dependent's premium.

If your dependent dies within 31 days after dependent *life insurance* ends, we will pay you the amount that could have been converted, whether or not an application was made or any premium was paid for the *conversion policy*.

Assignment

You cannot assign dependent *life insurance*.

Incontestability

The validity of the Dependent Life Insurance provisions of the *policy* cannot be contested after they have been in force for 2 years. The validity of the insurance on any dependent cannot be contested after the dependent has been insured under the *policy* for 2 years during that dependent's lifetime. However, if the premiums are not paid, the validity of the Dependent Life Insurance provisions or of any dependent's insurance can be contested at any time.

No statement you or a dependent made regarding a dependent's *proof of good health* can be used in a legal dispute unless it was in writing, it was signed by you or your dependent, and a copy was given to you or your dependent.

CLAIM PROVISIONS

Payment of Benefits

We will pay benefits when we receive all the required proof of covered loss.

To Whom Payable

We will pay your life insurance benefits according to the Beneficiary provision. For any other benefits we will follow the provisions applicable to such benefits, if any. Otherwise, all other benefits will be paid to you, if you are living. If not, we will pay your estate.

If no *beneficiary* is living at your death, we may pay part of your life insurance to any person we decide is entitled to it because of expenses incurred during your last illness or for your funeral.

Any amount we pay in good faith releases us from further liability for that amount.

Filing a Life Disability Benefit Claim

Within 30 days of the start of your *disability*, you should give us proof that you are currently *disabled* and have been continuously *disabled* since your last day of *active work*. Proof must be given within 90 days after the end of your *qualifying period*. If it is not reasonably possible to give proof on time, it must be given no later than 1 year after the time proof is otherwise required, except in the absence of legal capacity.

Continuing proof of *disability* must be given as often as we may reasonably require. Continuing proof must be given within 60 days of our request.

You must furnish whatever items we decide are necessary as proof of *disability*. You must agree to be examined by a *doctor* we choose, as often as needed to decide the existence or extent of *disability*. We will pay for any exam we require. If, within a reasonable time, you do not furnish any required items or do not have any required exam, your coverage will end.

Authority

The *policyholder* delegates to us and agrees that we have the sole discretionary authority to determine eligibility for participation or benefits and to interpret the terms of the *policy*. All determinations and interpretations made by us are conclusive and binding on all parties.

Review Procedure

You must request, in writing, a review of a denial of your claim within 60 days after you receive notice of denial.

You have the right to review, upon request and free of charge, copies of all documents, records, and other information relevant to your claim for benefits, and you may submit written comments, documents, records and other information relating to your claim for benefits.

We will review your claim after receiving your request and send you a notice of our decision within 60 days after we receive your request, or within 120 days if special circumstances require an extension. We will state the reasons for our decision and refer you to the relevant provisions of the *policy*. We will also advise you of your further appeal rights, if any.

GENERAL PROVISIONS

Entire Contract

The *policy* and the *policyholder's* application attached to it, and individual applications, if any, of the *covered persons* are the entire contract. Any statement made by you or the *policyholder* is considered a representation. It is not considered a warranty or guarantee. A statement will not be used in a dispute unless it is written and signed, and a copy is given to you, your *beneficiary*, or personal representative.

Errors

An error in keeping records will not cancel insurance that should continue nor continue insurance that should end. We will adjust the premium, if necessary, but not beyond 3 years before the date the error was found. If the premium was overpaid, we will refund the difference. If the premium was underpaid, the difference must be paid to us.

Misstatements

If any information about you or the *policyholder's* plan is misstated or altered after the application is submitted, including information with respect to participation or who pays the premium and under what circumstances, the facts will determine whether insurance is in effect and in what amount. We will retroactively adjust the premium.

Certificates

We will send certificates to the *policyholder* to give to each *covered person*. The certificate will state the insurance to which the person is entitled. It does not change the provisions of the *policy*.

Workers' Compensation

The *policy* is not in place of, and does not affect any state's requirements for coverage by Workers' Compensation insurance.

Agency

Neither the *policyholder*, any employer, any *associated company*, nor any administrator appointed by the foregoing is our agent. We are not liable for any of their acts or omissions.

GENERAL PROVISIONS (continued)

Fraud

It is unlawful to knowingly provide false, incomplete or misleading facts or information with the intent of defrauding us. An application for insurance or statement of claim containing any materially false or misleading information may lead to reduction, denial or termination of benefits or coverage under the *policy* and recovery of any amounts we have paid.

Attachment to Certificate

You may be entitled to receive a portion of your group term life insurance during your lifetime as an Accelerated Benefit. You must have a Qualifying Medical Condition which results in an expected life span of 12 months or less.

A full description of Accelerated Benefits is contained in this Certificate. Please read your certificate carefully.

If you elect an Accelerated Benefit, the death benefit payable to your beneficiary will be reduced. The following is an illustration of how death benefits are affected.

Illustration

The following information is used for illustrative purposes only. The amount of your life insurance in force is shown on the certificate face page.

Assumptions:

Life Insurance in force = $40,000
Date of Receipt of Proof of Qualifying Medical Condition = 10/15/98
Date of Payment of Accelerated Benefit = 10/16/98
Date of Death = 7/15/99

1. Amount of Accelerated Death Benefit = .80 multiplied by $40,000 = $32,000

2. Interest Charge = .0512* multiplied by (272 days divided by 365 days) multiplied by $32,000 = $1,220.94

3. Death Benefit payable = $40,000 minus $32,000 minus $1,220.94 = $6,779.06

* The interest rate used in this illustration is 5.12%. The annual interest rate is the current yield on 90-day treasury bills that is in effect on the first day of each quarter.

SUMMARY PLAN DESCRIPTION

This Summary Plan Description is issued to you in compliance with the Employee Retirement Income Security Act of 1974 (ERISA). Included within this document is your Certificate of Insurance, issued by Union Security Insurance Company in compliance with state law. Your Summary Plan Description does not replace or modify the Master Policy issued by Union Security Insurance Company in any way. The Master Policy is the contract which sets forth the terms and conditions of the benefits the Plan Sponsor chose to provide in its welfare benefit plan. The Master Policy may be amended at any time by agreement between the Plan Sponsor and Union Security Insurance Company. The Master Policy may be terminated at any time by the Plan Sponsor or may be terminated by Union Security Insurance Company for non-payment of premium or for failure to meet the Master Policy's minimum participation requirements. The Plan Administrator has the obligation to prepare, issue, amend and file the Summary Plan Description (SPD) and is solely responsible for its contents.

GENERAL ADMINISTRATIVE PROVISIONS

Name of the Plan:	The City of Falls Church
Plan Sponsor:	The City of Falls Church 300 Park Avenue Falls Church, VA 22046 (703) 248-5128
Employer I.D. Number:	EIN 54-6001271
Type of Plan:	An employee welfare plan providing benefits for: Life Insurance Life Insurance for Dependents
Plan Number:	PN501 unless another number is assigned by the employer, the Plan Administrator, or on any Form 5500 filed for the Plan.
Effective Date:	The plan, as described in this SPD, became effective on July 1, 2000.

Class I

Who Is Eligible:

Each full-time city employee who is at active work in the United States of America is eligible for coverage on the first day of the month occurring on or after becoming a full-time city employee at active work.

Full-time means working at least 37.5 hours per week. Any employee working less than 37.5 hours per week or any temporary or seasonal worker is excluded.

Class II

Who Is Eligible:

Each part-time city employee who is at active work in the United States of America is eligible for coverage on the first day of the month occurring on or after the completion of 0 None of service.

Part-time means working at least 20 hours per week. Any employee working less than 20 hours per week or any temporary or seasonal worker is excluded.

The plan may also cover other persons not included above. Check with the plan administrator.

Plan Administrator:

The City of Falls Church
Mr. Willie Best
300 Park Avenue
Falls Church, VA 22046
(703) 248-5128

Type of Administration:

This plan is insured by a contract with Union Security Insurance Company, 2323 Grand Boulevard, Kansas City, Missouri 64108.

Amendment or Termination of Plan:

This plan may be amended or terminated at any time by the Plan Sponsor.

Agent for Service of Legal Process:

The City of Falls Church
Mr. Willie Best
300 Park Avenue

Falls Church, VA 22046
(703) 248-5128

Plan Records:

The fiscal records for the plan are kept on a policy year basis ending each June 30.

Cost of Benefits:

The premiums for the Life Insurance plan are paid for entirely by the Plan Sponsor.

The premiums for the Dependent Life Insurance plan are paid for entirely by you.

Your plan includes:

Life Insurance
Life Insurance for Dependents

The benefits, limitations and exclusions are described in the Certificate which is found within this Description.

STATEMENT OF ERISA RIGHTS

As a participant in this Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974. ERISA provides that all plan participants shall be entitled to:

(i) Examine, without charge at the plan administrator's office and at other specified locations such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and, if required, a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

(ii) Obtain, upon written request to the plan administrator, copies of all documents governing the plan including insurance contracts and collective bargaining agreements, and, if required, copies of the latest annual report (Form 5500 Series) and the updated summary plan description. The administrator may make a reasonable charge for the copies.

(iii) Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate our plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA. If your claim for welfare benefits is denied in whole or in part you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request certain materials from the plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to $110 a day until you receive the materials unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court may decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and legal fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous. If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

CLAIMS PROCEDURE

The following procedures apply to the extent benefits under your employee benefit plan are insured under a contract issued by Union Security Insurance Company.

PRESENTING A CLAIM

Contact your plan administrator, who will advise you of any forms which are required. These forms should be returned to the Plan Administrator after completion. This Administrator will review them, complete any information concerning eligibility and forward them to Union Security Insurance Company.

NOTIFICATION OF DECISION

A decision will be made within 90 working days after receipt by Union Security Insurance Company of a properly executed, complete proof of loss. Complete proof of loss includes any investigation by Union Security Insurance Company necessary to determine its liability under the Group Policy. If the claim is denied in whole or in part, Union Security Insurance Company will provide written notice to the Plan Administrator for delivery to you. The written notice will contain:

1. The specific reason or reasons for the denial;

2. Specific reference to pertinent provisions of the policy upon which the decision is based;

3. A description of any additional material or information needed to perfect the claim and an explanation of why it is necessary;

4. An explanation of the plan's claim review procedure.

AUTHORITY

The Plan Sponsor delegates to Union Security Insurance Company and agrees that Union Security Insurance Company has the sole discretionary authority to determine eligibility for participation or benefits and to interpret the terms of the Policy. All determinations and interpretations made by Union Security Insurance Company are conclusive and binding on all parties.

REVIEW PROCEDURE—LIFE

You are entitled to a full and fair review of denial of claim. You may make a request to the Plan Administrator or appropriate named fiduciary, if other than the Plan Administrator. The procedure is as follows:

1. The request for review must be in writing and made within 60 days of receipt of written notice of denial;

2. You have the right to review, upon request and free of charge, copies of all documents, records, and other information relevant to your claim for benefits. You have the right to review copies of any internal rule, guideline, protocol or other similar criterion that was relied upon in making our decision to deny your claim. You have the right to submit issues and comments in writing, along with additional documents, records, and other information relating to your claim;

3. The Plan Administrator will forward the request to Union Security Insurance Company;

4. Union Security Insurance Company will make a decision upon review within 60 days after receipt of the request unless special circumstances require an extension of time for processing in which case the time limit shall not be later than 120 days after receipt. The decision or review will be in writing, include the specific reasons for the decision and specific references to the pertinent plan provisions on which the decision is based and be furnished either directly to you or to the Plan Administrator for delivery to you.